

TAB 50

From: /O=DELL/OU=AUSTIN/CN=RECIPIENTS/CN=CHERRY_LYNCH
Sent: Friday June 17, 2005 02:00 PM
To: Davis, Martin F; Watson, Dawn; McDonough, Matt - Authorized Dell Representative; Shuster, Jeff; Dial, Cory; Davis, David; Burris, Mike
Cc: Mullen, Joyce; DiLullo, Jeff; Eaton, Tom
Subject: RE: GX270 failures - Alston + Byrd

Martin,

I spoke with Joyce today, as well as ASL. I will be unable to give you a firm commitment for the first few phases until COB today. As for the August date, I am working to get an answer Monday.

All of that being said, I feel certain we will be able to obtain the MBs, but I am unable to commit until I get solid answers from our repair loop.

Please feel free to give me a call if you have any questions.

Thanks!
 Cherry
 565-0920

From: Davis, Martin F
 Sent: Friday, June 17, 2005 2:53 PM
 To: Watson, Dawn; McDonough, Matt - Authorized Dell Representative; Shuster, Jeff; Dial, Cory; Davis, David; Burris, Mike
 Cc: Lynch, Cherry
 Subject: RE: GX270 failures

We need a firm commitment with exact numbers to meet the total GX270 replacements (1000 units). The customer needs to know where Dell stands on the replacement, but it must be a hard commitment, not a soft commit that could change.

Please confirm that we do have this hard commit.

Thanks,

Martin

From: Watson, Dawn
 Sent: Friday, June 17, 2005 2:24 PM
 To: Davis, Martin F; McDonough, Matt - Authorized Dell Representative; Shuster, Jeff; Dial, Cory; Davis, David
 Cc: Lynch, Cherry
 Subject: FW: GX270 failures
 Importance: High

I've spoken with Cherry regarding the current situation with our motherboards. She has received information that we will have enough motherboards to move forward with Alston's replacement schedule as it stands today. We will know for sure on Monday.

Martin - let me know if I need to communicate this to the customer.

Thanks!
Dawn Watson
Sr. Services Account Manager, PAD East
Dell, Inc
512.723.2413 Office
512.826.2656 Cell

From: Allaman, Jeff [mailto:JAllaman@alston.com]
Sent: Friday, June 17, 2005 12:21 PM
To: Shuster, Jeff; Davis, Martin F; Dial, Cory; Burris, Mike; McDonough, Matt - Authorized Dell Representative
Cc: Davis, David
Subject: GX270 failures

Gentlemen, I'm sorry to bother you but I need some assistance with the message below. As I understand it, the graph of failures on the GX270's shows a very rapid failure rate once the problems begin to occur. We have been working with Mike Burris for a couple of weeks in developing a strategy to proactively replace the boards in our systems as we are already suffering from significant failures. If the statement below is true, our failure rate is going to drastically escalate before we are able to get the systems upgraded. I simply cannot allow this to happen as I was one of the key proponents for continuing to use Dell equipment even in light of our recent problems. If you aren't aware, we have had issues with servers, (RAID arrays crashing, parts not showing up when promised, large number of service calls), with desktops and laptops (the motherboard issue, high failure rates on our D600 laptops, and USB issues on D400 and D600's), and with service (vendors not showing up, not having parts, delayed resolutions from Dell.) These issues have already prevented me from being able to consider Dell for our printer refresh project and to be perfectly candid, should our desktop failure rate escalate any further, will prevent me from considering Dell for our Technology Refresh in 2007. Please let me know what can be done to insure that we will receive all of the GX270 motherboards necessary to complete the replacements by no later than August 15th.

Thanks,

Jeff

Jeff Allaman
Director of Information Technology
Alston + Bird, LLP
404.881.7019
jallaman@alston.com

Jeff,

As you and I discussed, during today's conference call with Dell Mike Burris informed us that the Dell supply chain had totally "crashed". Their suppliers are not able to supply enough motherboards to proceed with our project. Our allocation of motherboards has been redistributed to warranty repair.

They can commit to completing the NYC office but can not commit to anything beyond that. According to the project manager, Matt McDonough, even when they can resume the project (date to be determined later) they will not be able to commit to more than one office per weekend. Apparently, they are allocated so many units per week. Once those are gone they have to wait another week. Once we decide on a date they will not be able to make a final commitment until 10 days prior to that date.

The immediate question for our folks is -- do we proceed with NYC or hold off until we can complete the entire project? We were scheduled to start on the 24th which is next Friday.

Jimbo

Jeff Allaman
Director of Information Technology
Alston + Bird, LLP
404.881.7019
jallaman@alston.com

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